

REGISTERED LOBBYIST CONTACT DISCLOSURE FORM

This form is to be completed by Executive Branch employees who are contacted by registered lobbyists regarding **EESA**. This report includes a written description of each contact, the date and time of the contact, and the names of the registered lobbyist(s) and the employee(s) with whom the contact took place. Written materials prepared by registered lobbyists should be attached to this form for posting on the website. The information on this form will be available to the public on Treasury's website.

To be completed by the employee contacted			
Date and time of contact:	Name of the Employee(s) Contacted (Name and Title)	Brief description of the communication: (attach separate sheet if necessary)	
July 12, 2010 1:32 p.m.	Timothy F. Geithner Secretary, United States Department of the Treasury	Request for clarification and guidance on the Community Development and Capital Initiative program.	
Name of the Employee(s) who prepared this form:			Date
Peter Lee			July 14, 2010

Registered Lobbyist Name:	Title:	Firm or Organization:, if applicable	Client
Michael A. Grant (not a registered lobbyist)	President	National Bankers Association	(not applicable)



EXECUTIVE SECRETARIAT

2010 JUL 12 P 1:32

DEPARTMENT OF
THE TREASURY

July 9, 2010

The Honorable Timothy Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Re: CDCI Program

Dear Mr. Secretary:

On behalf of the members of the National Bankers Association (NBA), we are writing to express our deep concern regarding the implementation of the TARP Community Development Capital Initiative (CDCI). As you will recall, you invited the NBA to meet with you to discuss how your office could be of assistance to Minority Depository Institutions (MDIs) and mission-focused community banks. At that meeting, a contingency of NBA bankers shared their experiences with you; looming larger than any other issue was the need to raise and procure Tier 1 capital that was not only inexpensive and patient but consistent with the core values of our institutions.

When your office announced that it was accepting applications for funds under the CDCI program, a number of our MDIs certified and recertified their banks and thrifts as Community Development Financial Institutions (CDFIs) and expeditiously prepared and submitted their CDCI applications. Unfortunately, the initial enthusiasm for this important program has been replaced by a sense of frustration. During an exasperating period of waiting and uncertainty and after a myriad of follow-up communications to Treasury for updates and for a clarification of the decision-making process, the following questions and concerns remain outstanding:

- Other than the post-viability test, how is the CDCI Program fundamentally different from the TARP Capital Purchase Program (CPP) that it was slated to replace?
- What is the precise criteria for which banks will or will not be considered for CDCI funding? What different performance metrics will the decision makers utilize? (Please note that the communities hardest hit by this recession are the same communities that MDIs disproportionately serve).
- Given that CDCI is a Treasury Program, does it make sense that the bank regulatory agencies – who will simply look at a bank's financial condition – are the primary arbiters, as opposed to advisers, in determining which banks' applications for CDCI funding will be considered?
- Does Treasury (CDFI Fund or other Treasury entity) have a seat on the Interagency Regulatory Council to assist in making these determinations and if not, why not?

- How many MDIs have applied and been approved by their primary regulators to receive CDCI funding?

As you are aware, in 1989, the Congress of the United States passed the Financial Institutions Reform and Enforcement Act of 1989 (FIRREA). In Section 308 of the Act, Congress sought to:

- ✓ Preserve the present number of minority banks;
- ✓ Preserve the minority character of these banks in cases involving mergers and acquisitions;
- ✓ Provide technical assistance to prevent the insolvency of these institutions;
- ✓ Promote and encourage the creation of new minority banks; and
- ✓ Provide the training, technical assistance and education programs for these banks.

The CPP and now the CDCI program – could help in a very tangible and meaningful way to accomplish a critical goal of FIRREA – preserving these banks – if Treasury would move to use its expansive authority to maximize the capitalizing potential of the CDCI Program. In sum, we would urge Treasury to revisit the current review process and take a lead and proactive role in the review of CDCI applications. In this way, we will all be assured that every effort is expended to support the unique role of these financial institutions and power minority banks as they provide critical financial products and services to those communities that continue to be underserved by capital-rich financial institutions.

Thank you for your prompt attention and consideration.

Respectfully,



Michael A. Grant, J.D.
President

cc:

Herbert Allison, Assistant Secretary for Financial Stability
Michael Barr, Assistant Secretary for Financial Institutions
Larry Summers, Assistant to the President for Economic Policy
Valerie Jarrett, Senior Advisor to the President
Michael Blake, Deputy Associate Director
Sheila Bair, Chairman, FDIC
John Dugan, Comptroller, OCC
Sandra Thompson, Director, Division of Supervision & Consumer Protection
Donna Gambrell, Director, CDFI Fund
NBA Board of Directors